

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

House Engrossed
FILED
KEN BENNETT
SECRETARY OF STATE

CHAPTER 257

HOUSE BILL 2401

AN ACT

AMENDING SECTIONS 15-1782 AND 15-1783, ARIZONA REVISED STATUTES; RELATING TO
THE MATHEMATICS, SCIENCE, SPECIAL EDUCATION AND ELEMENTARY EDUCATION TEACHER
STUDENT LOAN PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1782, Arizona Revised Statutes, is amended to
3 read:

4 15-1782. Mathematics, science, special education and elementary
5 education teacher student loans; requirements;
6 report

7 ~~A. Beginning with the spring semester of school year 2007-2008,~~ The
8 board may grant loans from the mathematics, science and special education
9 teacher student loan fund established by section 15-1784 to defray in-state
10 tuition, instructional materials and mandatory fees of the education of
11 students who are pursuing a teaching degree at a university under the
12 jurisdiction of the board and who are deemed qualified by the board to
13 receive these loans. Loans shall be granted on such terms and conditions as
14 may be imposed by the board and shall be distributed on a first come, first
15 served basis.

16 B. The board shall grant loans to qualified applicants who are
17 classified as in-state students for tuition purposes pursuant to section
18 15-1802 and WHO agree to provide instruction in the areas AREA of
19 mathematics, science or special education in a public school in this state OR
20 IN ELEMENTARY EDUCATION IN A PUBLIC SCHOOL THAT IS LOCATED IN A GEOGRAPHIC
21 AREA IN THIS STATE THAT IS EXPERIENCING A SHORTAGE OF TEACHERS, AS DETERMINED
22 BY THE STATE BOARD OF EDUCATION. THE BOARD SHALL ALLOCATE NO MORE THAN
23 TWENTY-FIVE PER CENT OF THE ANNUAL AMOUNT APPROPRIATED FOR LOANS TO
24 APPLICANTS WHO AGREE TO PROVIDE INSTRUCTION IN ELEMENTARY EDUCATION.

25 C. The loans granted by the board shall be sufficient to fully cover
26 the costs of resident tuition and mandatory fees for each loan recipient and
27 may also defray the cost of instructional materials. If an applicant
28 qualifies for federal financial aid and receives federal grant aid, the loan
29 amount shall be limited to the amount of tuition and mandatory fees not
30 covered by the federal grant aid and may include a stipend for instructional
31 materials.

32 D. The board shall adopt policies for screening qualified applicants
33 based on ability, character and financial need.

34 E. The board shall grant loans on the terms and conditions the board
35 imposes. The board shall establish procedures for the timely repayment of
36 loans plus interest at a rate determined by the board. The board is
37 responsible for the collection of loans that are in default.

38 F. The board may delegate authority to administer the loans pursuant
39 to this article to an institution under the jurisdiction of the board. If the
40 board delegates authority, students pursuing a teaching degree at each
41 institution under the jurisdiction of the board shall be equally eligible to
42 participate. The board shall retain responsibility of making initial public
43 notice of the availability of the loans and collect the application forms
44 directly from each qualified applicant. The board shall forward the
45 applications to the institution selected to administer the loans.

1 G. On or before December 1 of each year, the Arizona board of regents
2 shall submit an approved report to the governor, the speaker of the house of
3 representatives, the president of the senate and the joint legislative budget
4 committee. The board shall provide a copy of this report to the secretary of
5 state and the director of the Arizona state library, archives and public
6 records. The report shall include the number of applicants, the number of
7 loan recipients, the university each loan recipient attends, the name of THE
8 school at which each loan recipient is employed, the number of good cause
9 repayment exceptions granted by the board, the reason for each good cause
10 exception granted and teacher retention data. The board shall collect and
11 maintain data on the retention of mathematics, science and special education
12 teachers who received loans pursuant to this article. The board shall
13 collect this data for at least five years after each loan recipient completes
14 the recipient's service commitment.

15 Sec. 2. Section 15-1783, Arizona Revised Statutes, is amended to read:

16 15-1783. Mathematics, science, special education and elementary
17 education teacher student loans; interest;
18 obligations; repayment; authority of attorney
19 general

20 A. Each applicant who is approved for a loan by the board may be
21 granted a loan for a period of up to five years.

22 B. The board, on behalf of this state, shall enter into a written
23 contract with the student. The contract shall set forth the methods and
24 terms of repayment by the loan recipient to this state and shall be on terms
25 and conditions and in a form provided by the board. The contract shall
26 provide for the following:

27 1. The loan recipient shall begin the service commitment providing
28 instruction in the ~~areas~~ AREA of mathematics, science or special education in
29 a public school in this state OR IN ELEMENTARY EDUCATION IN A PUBLIC SCHOOL
30 THAT IS LOCATED IN A GEOGRAPHIC AREA IN THIS STATE THAT IS EXPERIENCING A
31 SHORTAGE OF TEACHERS, AS DETERMINED BY THE STATE BOARD OF EDUCATION, within
32 one calendar year after attaining a bachelor's degree at an accredited
33 university in this state. The service commitment shall be full-time as
34 determined by the ARIZONA board OF REGENTS and requires one year of service
35 for each year of loan support plus one additional year of service.

36 2. If the loan recipient engages in postgraduate studies without a
37 lapse of more than one calendar year following the completion of the loan
38 recipient's bachelor's degree at an accredited university in this state, the
39 loan recipient shall begin the service commitment required under paragraph 1
40 within one calendar year after completing postgraduate studies.

41 3. If the loan recipient is inducted into military service, or for any
42 other cause beyond the loan recipient's control deemed sufficient by the
43 board is unable to begin the service commitment required under paragraph 1
44 within one calendar year after completing a bachelor's degree and any
45 graduate studies, the loan recipient shall begin the service commitment

1 required under paragraph 1 within one calendar year after completing the
2 required military service or the termination of any other cause.

3 4. If the loan recipient fulfills the service commitment required
4 under paragraph 1 in a public school in this state or while completing
5 military service resulting from induction, the loan recipient's indebtedness
6 to this state may be discharged in one of the following ways:

7 (a) One year of full-time service required under paragraph 1 for each
8 year of loan support plus one additional year of service.

9 (b) Repayment to this state of the total loan amount for each year of
10 support with interest at the rate prescribed in subsection C.

11 5. If the loan recipient fails to complete the required course of
12 study, if the course of study is interrupted by one academic year or more for
13 a cause or causes not resulting from induction into military service or any
14 other cause beyond the loan recipient's control deemed sufficient by the
15 board or if the loan recipient fails to fully discharge the service
16 commitment required under paragraph 1, except for delays resulting from an
17 excusable cause as prescribed in this section, the amount of the loan not
18 repaid or fully discharged shall be due and payable with interest at the rate
19 prescribed in subsection C. The board may extend the time of payment over a
20 period not exceeding fifteen years and shall not require payment of interest
21 during the existence of any excusable cause as prescribed in this section.

22 6. If the loan recipient does not begin the service commitment
23 required under paragraph 1 within the time prescribed in this section but
24 paid an agreed part of the loan, the board may allow the loan recipient to
25 discharge the balance of the obligation by subsequent teaching in this state.

26 7. If the loan recipient dies during the period of the loan
27 recipient's education or practice as a teacher, the loan recipient's
28 obligation to this state under this article ceases.

29 8. THE LOAN RECIPIENT MAY CHOOSE AT ANY TIME TO PROVIDE A DIFFERENT
30 CATEGORY OF SERVICE COMMITMENT PRESCRIBED IN PARAGRAPH 1 WITHOUT VIOLATING
31 THE CONTRACT, UNLESS THE CONTRACT REQUIRES THE LOAN RECIPIENT TO PROVIDE
32 INSTRUCTION IN THE AREA OF MATHEMATICS OR SCIENCE.

33 9. IF THE LOAN RECIPIENT BEGINS THE SERVICE COMMITMENT REQUIRED UNDER
34 PARAGRAPH 1 IN A GEOGRAPHIC AREA IN THIS STATE THAT IS EXPERIENCING A
35 SHORTAGE OF TEACHERS, AS DETERMINED BY THE STATE BOARD OF EDUCATION, BUT THE
36 STATE BOARD OF EDUCATION SUBSEQUENTLY DETERMINES THAT GEOGRAPHIC AREA IS NO
37 LONGER EXPERIENCING A SHORTAGE OF TEACHERS, THE LOAN RECIPIENT MAY DISCHARGE
38 THE BALANCE OF THE OBLIGATION BY COMPLETING THE SERVICE COMMITMENT IN THE
39 GEOGRAPHIC AREA WHERE THE LOAN RECIPIENT BEGAN THE SERVICE COMMITMENT.

40 C. The loan recipient shall repay the full amount borrowed at an
41 interest rate of at least seven per cent.

42 D. On receipt of supporting documentation, the board for good cause
43 shown may defer the loan recipient's service commitment or repayment
44 obligation or may enter into repayment arrangements with the loan recipient
45 or allow service that is equivalent to full-time service if the board

1 determines that this action is justified after a review of the individual's
2 circumstances. At the discretion of the board, the board may allow service
3 by teaching in another area of recognized need in this state that is not
4 specified in the student's contract, but only following prior written
5 approval by the board.

6 E. The attorney general may commence whatever actions are necessary to
7 enforce the contract and achieve repayment of loans provided by the board
8 pursuant to this article.

APPROVED BY THE GOVERNOR MAY 7, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 7, 2010.